

★

UMASS/AMHERST

★



312066 0324 9166 0





University of  
Massachusetts  
Amherst

L I B R A R Y



2 1989, 1997, 2001



Digitized by the Internet Archive  
in 2012 with funding from  
Boston Library Consortium Member Libraries

<http://archive.org/details/cedacannualrepor1995comm>



7.  
4.13  
6

COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

UMASS/AMHERST



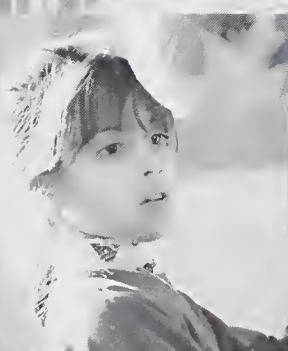
12066016600821

# CEDAC

A N N U A L   R E P O R T   1 9 9 5

DOCUMENTS COLLECTION  
COMMUNITY LIBRARY  
UNIVERSITY OF MASSACHUSETTS  
AMHERST, MA 01003

MAY 6



As required by Section 6 of Chapter  
498 of the Acts and Resolves of 1978,  
the report is respectfully submitted to:

WILLIAM F. WELD  
Governor  
Commonwealth of Massachusetts

STANLEY C. ROSENBERG  
Chairman  
Senate Ways and Means Committee

THOMAS M. FINNERAN  
Chairman  
House Ways and Means Committee

CHARLES D. BAKER  
Secretary of Executive Office  
for Administration and Finance

EDWARD B. O'NEILL  
Senate Clerk

ROBERT E. MAC QUEEN  
House of Representatives Clerk





**F**undamental changes faced the housing and community development world in 1995. The national policy debates over the scope of the federal government's purview, the division of responsibility between the federal government and that of the states, and the future shape of federal housing policy, all augur an era of unprecedented sweeping change for the non-profit housing and community development industry.

Such change will inevitably have ramifications for CEDAC. Funding programs may change, policy shifts may occur, even the nation's basic commitment to house the poor may face a serious challenge. But we will continue to focus our mission on restoring communities in Massachusetts, and on building strong, vital, community-based development organizations as vehicles to achieve that mission.

CEDAC is a community development finance institution for non-profit developers. We carry out our mission by focusing on three distinct, but mutually reinforcing, areas of endeavor. *CEDAC enhances the capacity of non-profit, community-based development organizations to implement development activity which helps restore economic health to their communities.* CEDAC staff provide strategic development advice to non-profit housing developers across the Commonwealth. CEDAC is also the source of vital pre-development capital to non-profit developers, with over \$10 million in revolving loan funds now under the agency's administration. This year we have expanded our capacity building role to economic development, with the inception of the Community Economic Development Capacity Building Initiative (CED CBI).

*CEDAC serves as a key development finance institution for the non-profit housing and community development world in Massachusetts.* As underwriter for the Executive Office of Communities and Development (EOCD) for both the Housing Innovations Fund (HIF) and the Facilities Consolidation Fund (FCF), CEDAC helps shape projects to ensure cost-effective use of the two funds' \$80 million in capital, and to assure that this permanently affordable housing stock provides both attractive housing and responsive programming for its residents. CEDAC also serves as the underwriter for the Child Care Capital Investment Fund (CCCIF). This year we also assumed responsibility for the administration of federal Intermediary Technical Assistance Grant (ITAG) funds for Expiring Use Restriction (EUR) properties.

*CEDAC plays a vital role as development program manager for other public agencies, balancing the objectives of those agencies with the goals of CEDAC's non-profit clients.* We have worked closely with the U.S. Department of Housing and Urban Development (HUD) and the Massachusetts Housing Finance Agency (MHFA) to redesign and preserve the Demonstration Disposition Program, the national pilot program for the sale of



HUD-owned multifamily housing to its residents, through a year of turmoil and uncertainty about the program's future. We also continued our administration of the Affordable Housing Disposition Program (AHDP) for the Federal Deposit Insurance Corporation (FDIC), with a second round of eleven more properties this year.

Changes in federal housing policy are virtually certain. There may well be benefits to the housing and community development world in Massachusetts in re-examining program design assumptions long unquestioned, and in eliminating rigid bureaucratic systems which have ossified. Under the Weld-Cellucci Administration, Massachusetts is well positioned to take advantage of these changes, by anticipating the likely direction of change, and getting out in front of the process in order to shape the future. The non-profit housing and community development sector must be fully engaged in that process of defining the future, and should remain a vital contributor to restoring the communities of the state as desirable places to live and work.

CEDAC will remain committed to its mission of building the capacity of the non-profit development system. We will continue to seek out prospects for synergy, where one of our capabilities can serve to advance another agency's public purpose. And we will look aggressively for new areas of endeavor which will serve the interests of the Commonwealth and our non-profit clients. We look forward to a challenging, but rewarding, year in partnership with the non-profit development community.

With regret, we also note the resignation of Daniel Grabauskas, the chairman of CEDAC's Board of Directors, from the board near the close of 1995. Dan left state government to pursue an exciting assignment to help shape emerging democratic political institutions in the Baltic states. It is a long way from Beacon Hill to Vilnius, Lithuania, but Dan provided steady leadership and unswerving support for CEDAC's mission in his two years as board chair.

In that context, we want to especially recognize the unflagging support of Mary Padula, the Secretary of EOCD, for CEDAC and its mission over the past three years. Mary has delegated responsibility to us, and collaborated with us on policy development, while often challenging us with tough questions that cut to the quick of a matter. She has always valued the importance of the constituency we seek to serve, and the mission we seek to fulfill. And her support has been incredibly welcome.

Mary has nominated Jane Gumble, the Deputy Secretary of EOCD, to serve as the new chairperson of the Board of Directors of CEDAC. We look forward with anticipation to her leadership of the board at this challenging juncture in the agency's history.



Michael Gondek, Executive Director and  
Jane Gumble, Acting Chairperson

Jane Gumble  
Acting Chairperson

Michael Gondek  
Executive Director

**C**EDAC was established by Chapter 40H of the Massachusetts General Laws, and commenced operations in 1978.

For its first three years CEDAC focused on business development, working with community development corporations (CDCs) to start, expand, and preserve business enterprises which would create employment opportunities for low- and moderate-income residents of the CDCs' target areas. CEDAC's assistance was primarily focused on providing technical assistance to help businesses shape their business plans for presentation to financiers.

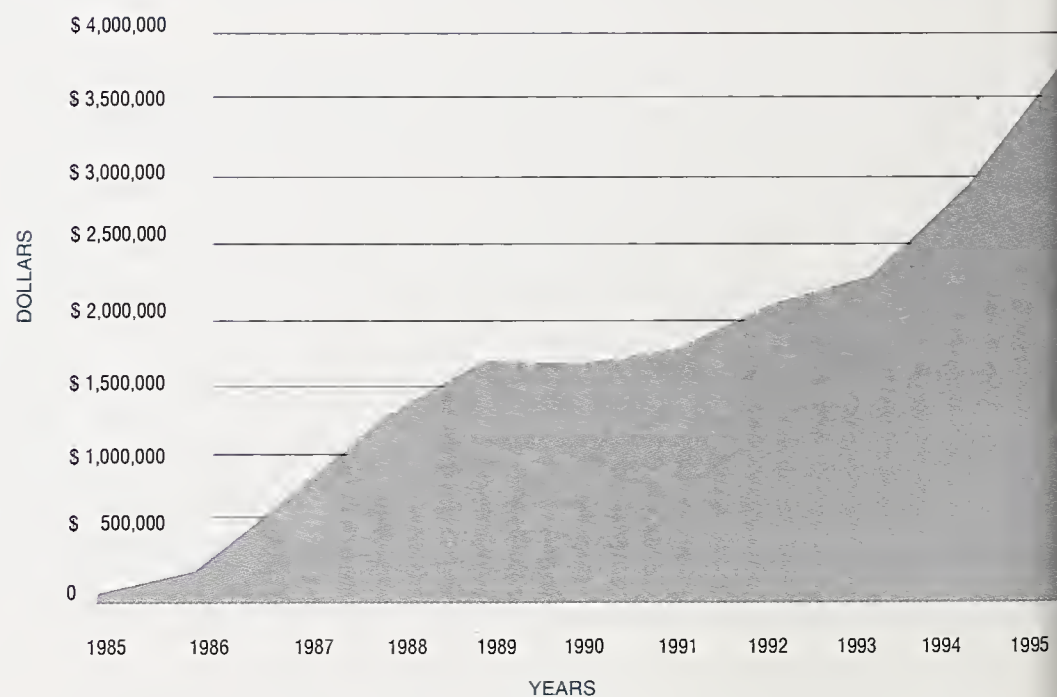
The experience of both CEDAC and its client CDCs proved that the barriers to business development in lower-income communities transcended problems of access to capital. The lack of experienced management, inability to discern and evaluate real enterprise opportunities, mismatches between the skills required of employees and those available in lower-income communities, and the structural disadvantages which startup businesses faced in the recessionary late 1970's, all contributed to a low success rate for CEDAC and its client CDCs in the area of business development.

Frustrated by the lack of tangible accomplishments, many of the newer CDCs, which had formed in response to the simultaneous formation of CEDAC and the Community Development Finance Corporation (CDFC), shifted their focus to housing development, an area in which non-profit community-based development organizations had demonstrated success. CEDAC followed its non-profit constituency's needs and agenda. Most of the new non-profit development organizations lacked the staff capacity to undertake housing development themselves. Moreover, they lacked the seed capital required to make the equity

investment necessary to carry a project from its conceptual stage through to a construction loan closing.

So CEDAC launched a development assistance program, to provide strategic consulting assistance from a staff of experienced non-profit real estate development personnel, and to provide unsecured high risk equity capital to non-profit developers for their pre-development expenses. Over the last fourteen years, the agency has assisted in the creation or rehabilitation of over 7,100 housing units, with another 8,900 units in the planning stages now.

Summary of CEDAC Lending Activity





CEDAC's development lending programs are available to non-profit corporations which:

- are incorporated under Chapter 180 of the Massachusetts General Laws;
- include in their statement of corporate purpose development activity designed to benefit low- and moderate-income residents; and
- propose to implement a project in a defined target area which meets CEDAC's statutory income guidelines (median family income below \$41,876, by 1990 federal census data).

Eligible organizations may request CEDAC assistance for pre-development costs associated with the acquisition, rehabilitation, or new construction of specific real estate projects. CEDAC development assistance loans may be used to pay for mortgageable pre-development costs, including project management costs.

To diminish the considerable risks inherent in pre-development lending, CEDAC phases the approval and disbursement of its funds to ensure that expenses correspond

to identifiable milestones in a proposed development program. In consultation with the borrower, CEDAC determines the amount of assistance needed to move the project to the next step in the development process and advances funds accordingly.

CEDAC typically entertains development loan requests for maximum amounts of approximately \$3,000 per residential unit. Maximum loan amounts rarely exceed \$250,000 and are typically unsecured. Most CEDAC loans bear a 5% simple interest rate. CEDAC's loans are repayable from the proceeds of the project's construction financing, on the earliest date on which those funds become available to the borrower.

CEDAC disburses predevelopment loan proceeds directly to non-profit developers who have successfully completed one project with CEDAC, or can demonstrate well-functioning and acceptable financial systems and experience in managing consultants. For non-profit developers whose organization or project doesn't meet these threshold criteria, CEDAC will make its loan available as a Technical Assistance Advance (TAA). Under a TAA, CEDAC

disburses its loan funds as payments to contractors for professional or technical services on behalf of the borrower, until the borrower or project qualifies for direct lending of CEDAC loan funds.

Non-profit developers who seek CEDAC's assistance should request a copy of CEDAC's Lending Guidelines. These guidelines for CEDAC's Development Assistance Programs outline the purpose and structure of the agency's programs. CEDAC encourages prospective borrowers to contact the agency's staff early in the process of project development. Even at the conceptual stage, CEDAC development staff are available to help assess the preliminary feasibility of a project, strategize about alternative development programs for a site, and help prospective borrowers evaluate and secure other professional services. CEDAC's development staff have considerable experience in non-profit real estate development and management, and can bring their knowledge of public and private financing programs to our non-profit partners' benefit.

## Development Technical Assistance and Lending

CEDAC has institutionalized its role as the Commonwealth's technical assistance provider to non-profit development organizations. CEDAC's development technical assistance provides non-profit housing developers with the scarce, but critical, risk capital required during the pre-development period. CEDAC makes unsecured, high-risk loans available at the earliest stages of project conceptualization. As a project progresses through the development process, the agency lends its funds to its non-profit borrowers in stages, in order to minimize the risk of large losses.

CEDAC's experienced development staff provide strategic development guidance to the borrower as subsequent loans are progressively reviewed and approved. The agency's development technical assistance program manages high risk loan pools prudently for a range of public agencies, as evidenced by CEDAC's historic loan loss rate of just over 2%, while providing the appropriate amount of CEDAC staff oversight and guidance a borrower's staff capacity requires.

### ■ *Oak Terrace*

Five years of persistence and determination by the Asian CDC culminated in the landmark construction of 88 new units of family rental housing at Oak Terrace, the first new housing construction in Boston's Chinatown in many years. An attractive townhouse design focused around a central courtyard provides housing for families in the heart of densely-populated Chinatown.

### ■ *Cambridge Community Housing*

Homeowners Rehab, Inc. (HRI) skillfully negotiated a complicated plan to salvage 59 units of important rental housing in Cambridge. The housing was threatened with foreclosure by lenders, and jeopardized by the previous owner's bankruptcy. HRI and the City of Cambridge succeeded in their effort to process rent increases on



*Oak Terrace, Boston*



rent-controlled units, and secure a major infusion of new equity, resulting in stable new ownership, renovated units, and continued affordability of the housing.

#### ■ **Lowell Homeownership**

A major owner of investor housing in Lowell had become delinquent in his mortgage obligations to a lender which had been placed in conservatorship by the Resolution Trust Corporation (RTC). The City of Lowell took the initiative, in concert with the Coalition for a Better Acre (CBA), to fashion a comprehensive plan to purchase the delinquent mortgage from the RTC; foreclose on the mortgage; and carry out a multi-faceted disposition plan for the more than 125 properties involved. CBA completed its first phase of redevelopment of the RTC properties, providing eight new homes for sale to moderate-income buyers.

#### ■ **Unity House**

Our nation's veterans are not usually thought of as a population in need of access to low-income housing. But many veterans, especially those of the Vietnam War era, suffer from profound and lingering psychological traumas which result in chronic unemployment, the need for supportive services, and a desperate need for stable housing.

The Montachusets Veterans Outreach Center (MVOC) crafted a financing package to create 15 units of single room occupancy housing for veterans in Gardner, the first such facility in central Massachusetts. Unity House's dedication ceremony highlighted the contributions of local veterans posts in the Gardner area, who had volunteered many hours of work to help rehabilitate Unity House for their fellow veterans' housing needs.

#### ■ **Edgar Playground**

Brockton Community Corporation (BCC), a new community-based group, completed its initial project by acquiring and renovating four homes for sale to moderate-income buyers in the Edgar Playground area of Brockton. By renovating those houses and selling them to owner-occupants, BCC will stabilize the area and renew resident confidence. BCC has forged a partnership with the Brockton Interfaith Council (BIC), a consortium of local religious congregations, to combine the efforts of churches, neighborhood residents, bankers, and the city in stabilizing the Edgar Playground neighborhood.



*Unity House, Gardner*

---

**CEDAC enhances  
the capacity of non-  
profit, community-  
based development  
organizations to  
implement develop-  
ment activity which  
helps restore  
economic health to  
their communities.**



EOCD Secretary Mary Padula joined CEDAC board and staff, and city and developer representatives, at the groundbreaking for Auburn Court.

#### ■ Auburn Court

Cambridge is among the most progressive and committed cities in the country when it comes to formulating forward-looking local housing policy, and then investing the resources to implement its policies. The residents of the city's Cambridgeport neighborhood had been adamant for years that development plans for the former Simplex factory site should include affordable housing. The residents of Cambridgeport and the city government joined forces to secure lower-income housing at the site, owned by the Massachusetts Institute of Technology (MIT), and primarily slated for office, commercial, and retail uses. Homeowners Rehab, Inc. (HRI), after years of efforts, succeeded in bringing to fruition 77 units of rental housing at Auburn Court. Auburn Court takes advantage of the strong rental market in Cambridge to devote half of its units to low-income use.

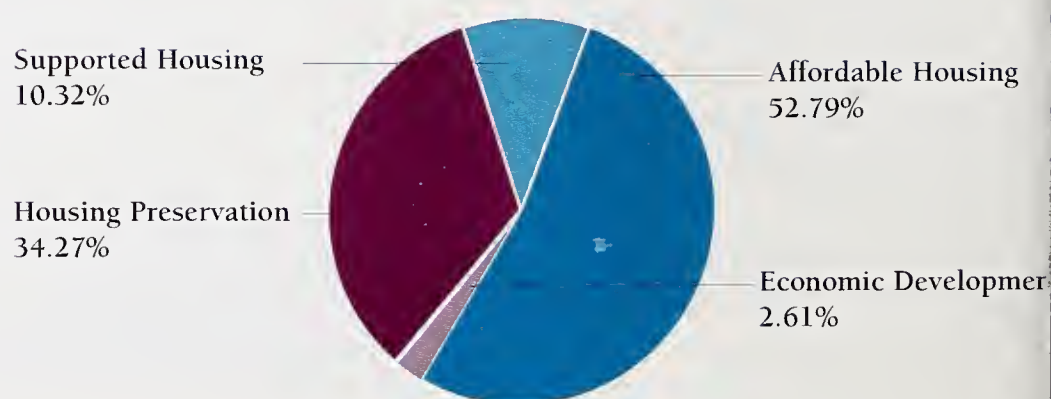


300 Summer Street, Boston

#### ■ 300 Summer Street

The Fort Point Artists Community (FPAC) has imbued the Fort Point area of Boston with cultural vitality, by initiating efforts to preserve and stabilize space for artists to live and work in the area. FPAC acquired a former warehouse building at 300 Summer Street, and rehabilitated it into 40 units of live-work studio space for both emerging and established artists.

### FY 95 SUMMARY OF LOAN COMMITMENTS BY PROGRAM AREA





## Promotion of Resident Ownership

CEDAC's development technical assistance program provides the level of services commensurate with the internal organizational capacity of the agency's borrowers and clients. For example, many of the largest pre-development loans made by CEDAC have been to tenant organizations which have sought to purchase their multifamily rental developments either from HUD, or from a private owner. In these cases, the prospective developer not only has no staff capacity, there is often only the embryo of a viable organization. For the last twelve years, CEDAC staff have worked intensively to help guide the growth and maturation of

those resident purchasers through the process of assuming control over ownership and management.

Once the resident organization has taken title, CEDAC staff have continued to play the valued role of key advisers as the organization grows and changes. CEDAC provides ongoing advisory services to the resident owner during its asset management and ownership period. CEDAC helps the groups ensure stability as leadership changes, new board members arrive, management transitions occur, and capital infusions are required.

The resident assumption of ownership in such properties represents

some of the finest examples of a genuine "community development" process, in which a true community is created out of the inspiration and tenacity of its residents. To date CEDAC has helped facilitate the transfer of ownership of 2,100 units of multifamily rental housing to resident ownership. This year CEDAC completed for HUD the production of a manual for intermediary groups called Building Capacity, which documents the process of organizational development through which a resident group must go in order to achieve its goal of resident ownership.

### ■ *Low Cost/South End Cooperative Housing*

Eight years ago, the Boston Housing Authority (BHA) purchased Low Cost Housing, 74 units of foreclosed multifamily housing from HUD, intending to rehabilitate the units for low-income housing. After years of failed efforts by the BHA to complete the project's renovation, the tenants mobilized and convinced the BHA to agree to sell the properties to them. The tenants also succeeded, after marathon negotiations, in convincing HUD that the ownership transfer provided the best long term guarantee of affordability, and to re-write and extend the project's crucial Section 8 rental subsidy contract. The tenants secured the necessary financing, completed the renovations,



*Allen Park, Springfield*





*Low Cost/South End Cooperative Housing, Boston*

and took ownership. The handsome bow front buildings in the South End finally provide the residents with the attractive, large family housing units promised them so long ago.

#### ■ *Allen Park*

Allen Park is a lovely townhouse development on the outskirts of Springfield. In many aspects it is indistinguishable from a suburban condominium complex, but its ownership, occupancy, and social mission are strikingly different than an initial glimpse might suggest. The tenants at Allen Park prevailed this year in their five year quest to wrest ownership of Allen Park from its previous

owner, an absentee landlord who was unresponsive to tenant concerns. Despite the looming threat of the termination of HUD's housing preservation program, resident ownership of the development's 264 units was assured, thanks to the financial support of EOCD and MHFA.

Allen Park represents the largest pre-development loan ever made by CEDAC. Its successful acquisition by its residents will guarantee continued affordability for lower-income residents, and open access to Springfield's multi-cultural population. At the dedication ceremonies for their long-awaited new community building, the residents' leadership pledged especially to remain active in the effort to save the housing preservation program, so that other tenants will have the same opportunity Allen Park seized for itself.

#### ■ *Residents to Residents*

During the year, CEDAC continued to work with the Residents to Residents (RtR), an organization of resident leaders from developments which have been converted to resident ownership. Through this forum, resident leaders share their experiences in a collegial setting where they can learn from each other's successes and problems. Successful resident owners also serve as mentors for embryonic tenant groups who are just beginning to explore the possibility of ownership.



*Allen Park, Springfield*

RtR members consulted regularly with a number of the tenant groups participating in the HUD/MHFA Demonstration Disposition program, playing a key role at several developments, and reached out to support and assist the Expiring Use Restriction (EUR) residents groups in their struggle to maintain funding for the housing preservation program. Ownership may not be the best option for every tenant organization, but RtR members are articulate and credible spokespeople for the opportunities for control over their own housing that resident ownership can provide. RtR is assuming national recognition as a unique example of tenants growing into not just successful owners and managers of their housing, but a peer support mechanism to lend their hard-won experience and wisdom to other tenants.



## Community Economic Development

**I**n the past year, CEDAC has expanded its capacity building program from real estate development to the economic development arena, with the launching of the Community Economic Development Capacity Building Initiative (CED CBI). The CBI's program design was developed by the Massachusetts Association of Community Development Corporations (MACDC). The impetus for the program was prompted by MACDC's recognition that CDCs needed assistance in strategic planning in economic development, in order to make better-informed decisions about their role in economic development, their strategic priorities, and their project selection, so that they would have greater impact in their communities.

Phase One of the program is focused on strategic planning. The fourteen participating CDCs attend five workshops, and complete a practicum assignment between each workshop, guided by the CED CBI's team of trainers and consultants. The assignments will become the components of strategic plans for each CDC, to be completed in the spring of 1996. Phase Two of the program, for which program planning and fundraising is now beginning, will follow the completion of Phase One. Phase Two will focus on implementation of the strategic plans developed in Phase One, and will provide consulting services and seed money for specific projects.



Avery-Dennison Company, Framingham

### ■ Avery-Dennison

The South Middlesex Opportunity Council (SMOC) has long provided social services, housing, and employment for the lower-income population of the Metro West area. Last year the Avery-Dennison Company, owner of a huge, multi-building industrial complex near the heart of downtown Framingham, decided to consolidate its operations, and mothball a significant portion of the complex. SMOC saw the opportunity to consolidate its scattered administrative and service operations; create desperately-needed new child care space; and provide a framework for future economic growth on the site.

Using CEDAC's pre-development loans for critical seed money, SMOC renovated the former corporate headquarters building of the complex for its central administrative operations. SMOC has secured commitments of financing from a consortium of local lenders, through the Federal Home Loan Bank Board, to renovate another building to consolidate its child care facilities, and plans to demolish outdated buildings on the site to clear the way for future job-creating development.

## GEOGRAPHIC DISTRIBUTION OF CEDAC PROJECTS, 1995



In 1995 CEDAC provided assistance to projects in the following communities:

Amherst	Holliston	Roslindale
Athol	Holyoke	Roxbury
Boston	Hyannis	Salem
Beverly	Kingston	Shirley
Brewster	Lawrence	Somerville
Brockton	Leominster	Springfield
Cambridge	Lowell	Taunton
Chelsea	Medford	Wales
Dorchester	Nantucket	Waltham
East Boston	Northampton	Wareham
Fitchburg	Northbridge	Watertown
Framingham	Northfield	Webster
Gardner	Oak Bluffs	Wellfleet
Greenfield	Orange	Wendell
Hanson	Plympton	Wilmington
Harwich	Reading	Worcester
Haverhill	Rockland	



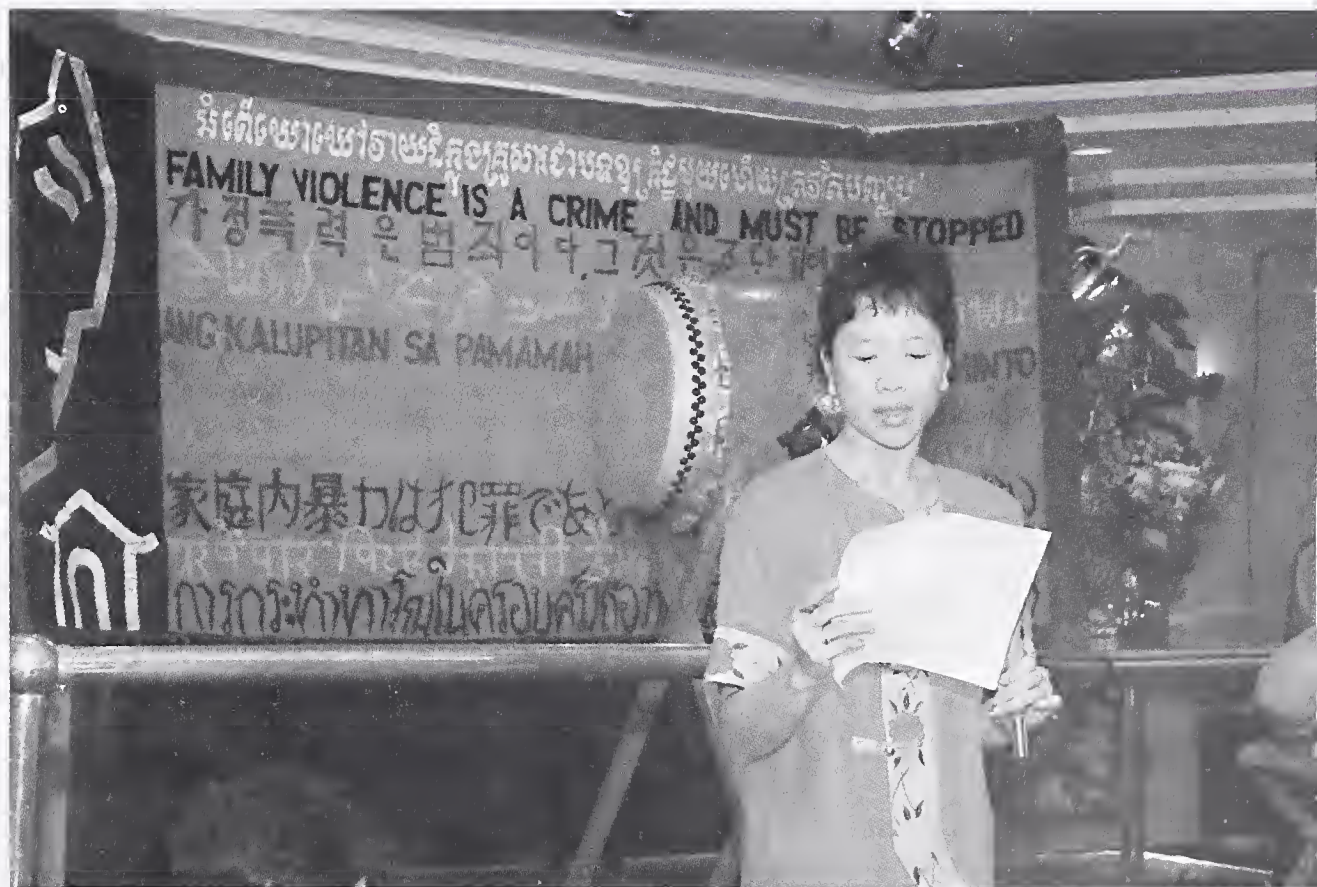
**C**EDAC works as an underwriter for public and private agencies to ensure that new housing and development finance programs are designed to efficiently meet their public objectives, while fitting practically within the realities of the real estate and financial marketplaces. CEDAC currently underwrites loans for the Housing Innovations Fund (HIF), the Facilities Consolidation Fund (FCF), and the Child Care Capital Investment Fund (CCCIF), as well as underwriting grants for HUD's Intermediary Technical Assistance Grant (ITAG) program for EUR projects.

**Housing Innovations Fund**  
The Housing Innovations Fund (HIF) program has sparked the creation of over 3,700 supported housing units by non-profit developers since its inception in 1987. Originally capitalized with \$30 million, and now recapitalized in 1993 with an additional \$30 million, the HIF program provides flexible and responsive deferred-payment, permanent mortgage financing to help create single

room occupancy (SRO) housing, housing for families and individuals with needs for supportive services integrated into their residential settings, and other innovative housing programs.

#### ■ *Asian Womens' Task Force Shelter*

Since 1987 the Asian Task Force Against Domestic Violence (ATFADV) has been educating the Asian community of Boston about the extent of domestic violence in that community. In recognition of the fact that linguistic and cultural



*Asian Womens' Task Force Shelter, Boston*





*Peter Faneuil School, Boston*

**CEDAC serves as a  
key development  
finance institution  
for the non-profit  
housing and com-  
munity develop-  
ment world in  
Massachusetts.**

barriers prevent Asian women from using available shelter services, the ATFADV launched a drive to create Boston's first shelter specifically for Asian victims of domestic violence.

Its vision became reality this year when its shelter opened in a lovely Greek-style mansion in Dorchester. The ATFADV received a groundswell of financial support from the business community in the city. ATFADV's shelter provides its clients with emergency shelter and support services aimed at addressing victims' feelings of isolation and ostracism in the community.

#### ■ *Peter Faneuil School*

Beacon Hill's residents live in Boston's classic historic neighborhood, complete with cobbled courtyards and gracious Federal era homes. When the city of Boston announced its plans to make the former Peter Faneuil School site available for developer competition for residential use, residents could have taken the easy route and promoted market rate condominiums in the historic building. But instead, the local civic association teamed up with the Rogerson House, an experienced developer of low-income housing, and the AIDS Housing Corporation, to submit the winning bid for the site. The result: two separately financed low income residential projects at the Faneuil School site, both driven by HIF loans.

The first project provides 20 units of housing for lower-income families in the former school building itself; the second, an exemplar of urban design, creatively wedges 11 more units of new construction housing for people with AIDS into the parking lot of the school. Due to the initiative of Beacon Hill's residents, low-income families and individuals have access to affordable housing in Boston's most affluent and desirable neighborhood.





*Palmer House, Falmouth*

#### ■ **Abby's House:**

A dedicated group of women in Worcester have been devoting their volunteer time for eighteen years to operate Abby's House, a shelter for battered women. During this time, they have raised funds to keep the house open, and provide supportive services to its residents. When the RTC foreclosed on the adjacent house, a classic Victorian mansion which was abandoned and dilapidated, Abby's House leaped at the chance to turn the house into a transitional housing facility. CEDAC helped broker the conveyance of the Chatham Street property to Abby's House by the RTC, and assemble the financing, including a HIF loan, to restore the mansion to pristine condition for its new owners. The house now provides eight units of transitional housing to allow women and their children coming out of the shelter to make a new start toward their goal of permanent housing.

#### ■ **Palmer Avenue Veterans' SRO**

Local banks, churches, and businesses all pitched in to help the Falmouth Housing Trust (FHT) produce one of the first single room occupancy houses for homeless veterans on the Cape. Falmouth's population of street people lives on the beaches and in the woods of the town; many have alcohol abuse problems. The FHT acquired the Palmer Avenue residence from the U.S. Department of Veterans' Affairs at a discounted acquisition price, and packaged rehab financing from the Housing Innovations Fund, HOME money from Barnstable County, and a Federal Home Loan Bank Board loan through the Sandwich Cooperative Bank. FHT now houses seven homeless adults on Palmer Avenue, providing an intense program of supervised supportive services to help its residents return to self-sufficiency.



*Mayor Thomas Menino leads the ribbon cutting ceremony at the Peter Faneuil School.*



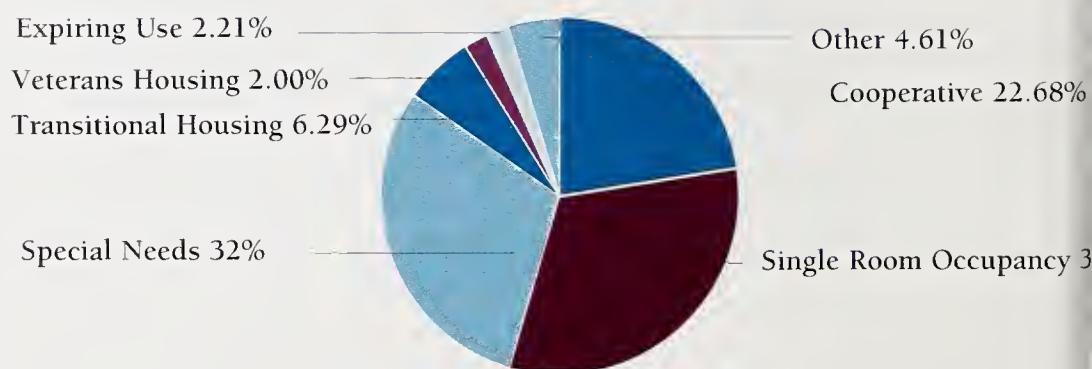
*Latinas y Ninas, Roxbury*

#### ■ *Latinas y Ninas*

Once Casa Esperanza, a drug addiction and alcoholism recovery home for Hispanic men, opened in 1987, its sponsors' thoughts turned immediately to the needs of Hispanic women for a similar refuge. It took eight years to realize that vision, but Casa Esperanza was nothing if not persistent. *Latinas y Ninas* offers just that: a culturally sensitive and language appropriate home for Hispanic women and their children. While they recover from addiction, the women of

*Latinas y Ninas* will be able to be with their children, but they will also be taking responsibility for their lives. They will learn parenting skills, gain basic reading and writing skills, and find a job as soon as possible. *Latinas y Ninas* offers Hispanic women the chance for rehabilitation without jeopardizing their ability to retain custody of their children, and gives them a supportive environment in which to do so.

#### HIF LOANS COMMITTED BY HOUSING TYPE





## Housing Innovations Fund AIDS Housing

Last year Governor Weld and EOCD announced that \$3 million in HIF funding would be earmarked for the development of housing for people with AIDS, or who were HIV-positive. This landmark initiative represented the first explicit set-aside of state development funding for this critical housing need. In conjunction with the AIDS Housing Corporation (AHC), CEDAC has established partnerships with local community-based sponsors to launch a series of creative local initiatives, each designed to meet the specific housing needs of the AIDS patients in that community with an appropriate program design response. Nine projects have been funded to date; almost \$2 million of the \$3 million set-aside was committed in the first year of the program.

### ■ Hope House

Hope House represents the dream of the medical and administrative staff at Saint Anne's Hospital in Fall River. The hospital staff realized that there was a gaping void in housing and services for people with AIDS, or who are HIV-positive, in Fall River, and set out to fill the gap. Saint Anne's agreed to donate the site, a run-down house on the hospital's property. They turned over every stone imaginable



*Hope House, Fall River*

to raise the funds necessary to renovate the house into ten units of housing. HUD, the City of Fall River, the FHLBB, and HIF all contributed the funding required to turn the hospital's dream into reality. Now residents of Fall River who are disabled by AIDS in Fall River do not need to stay in the hospital, but can instead live as independently as possible, while still in close proximity to first-rate

medical care. A huge tent on the grounds of the hospital was filled to capacity at the dedication of Hope House, when hundreds of supporters participated in a joyful and musical ceremony to open Hope House's doors.

### ■ *Julie House*

Catholic Charities took the initiative to develop Julie House, the first housing for people with AIDS in the Merrimack Valley.

Recognizing that residents of the area were forced with the choice of having to relocate in order to receive services and housing when they became too ill to stay at home, Catholic Charities secured financing from HUD, coupled with a HIF loan, to develop Julie House, 10 units of single room occupancy housing. Cardinal Bernard Law presided over the moving dedication of Julie House earlier this year. Julie House, named for St. Julie Billiart, one of the founders of the Sisters of Notre Dame, in the hope that her life would be a symbol and inspiration to those living with AIDS, will also help stabilize the neighborhood in which the residence is located.



*Julie House, Lowell*

---

**Governor William Weld and Mary Padula, Secretary of EOCD, committed \$3 million in funding for the development of housing for people with AIDS, or who are HIV-positive, the first set-aside of state development funding nationally for this critical housing need.**



## Facilities Consolidation Fund

CEDAC has worked very closely with EOCD and the Executive Office of Health and Human Services (EOHHS) to quickly make the Facilities Consolidation Fund (FCF) operational, committing over \$4 million of the \$50 million authorized for the FCF program in 1995. The FCF is an integral part of the state's initiative to close down its institutional facilities for clients of the Department of Mental Retardation (DMR) and the Department of Mental Health (DMH), and to replace those facilities with community-based residential settings for the former residents.

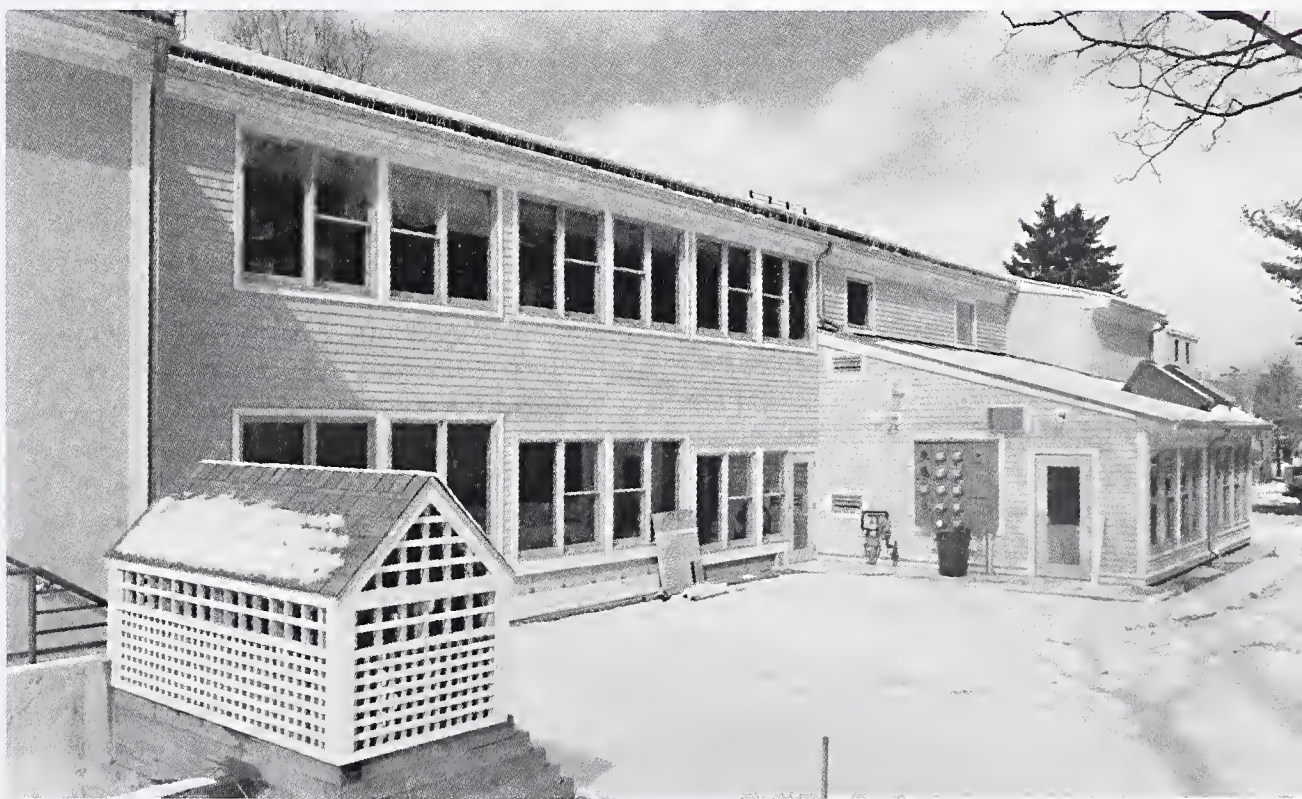
FCF helps catalyze the response of the non-profit development community to this challenge by providing \$30 million in subordinated deferred payment permanent mortgage financing for up to 30% of a project's development costs, allowing non-profit developers to build and renovate attractive residences for DMR and DMH clients now living in institutional settings. There the residents can live in or near their communities of origin, receiving all the services they need in order to live as independently as they can. A second component of FCF allocates \$20 million to construction of housing for the homeless mentally

ill population of the state. FCF leverages financial contributions from the private capital markets and from the federal government, while saving the Commonwealth substantial amounts of money formerly spent on inefficient and impersonal facilities.

### ■ Pearl Street

CASCAP has been a well-respected provider of services and low-income housing to clients of the DMR and DMH, as well as low-income elderly, for almost twenty years in the Cambridge/Somerville area. CASCAP wasn't just a tireless advocate for the FCF program, they were one of the first users of its financing. CASCAP used an

FCF commitment to fill the gap in its HUD-financed housing on Pearl Street in Somerville. Neighbors and local selectmen had been wary of CASCAP's proposal to demolish the two buildings on the site, and house individuals with mental illness there. But the striking site design, placing the ten unit SRO house sideways on the site so that it reads like a typical two family house from the street, plus CASCAP's low-key and effective presentation, won over the opposition. The residents are CASCAP tenants who have been living in houses with more intensive support services, and are "graduating" to living in a more independent setting.



*Pearl Street, Somerville*



### Child Care Capital Investment Fund

CEDAC serves as the loan fund manager, underwriter, and servicer for the Child Care Capital Investment Fund (CCCIF), which commenced operations five years ago as a subsidiary of the United Way of Massachusetts Bay.

Capitalized by the United Way, local foundations and corporations, and a \$1 million Program-Related Investment (PRI) from the Ford Foundation, the CCCIF was established as a five year pilot program to test the viability of providing debt financing to enable the non-profit child care industry to invest in capital facilities, thereby improving the quality of child care programs.

As the Fund reaches the end of its pilot phase, it has committed almost \$2.2 million in loan and grant financing for non-profit child care centers serving over 70% low income children, and has leveraged an additional \$6 million in other debt financing. The Fund has also delivered substantial development and managerial technical assistance to non-profit child care providers, and an array of other financial products, including a computer loan program and a facilities assessment grant program.

CEDAC hopes to serve as the Fund administrator, if the Fund continues to function on a permanent basis. As the Fund adminis-

trator, CEDAC can better integrate the child care lending and technical assistance functions into the agency's work with non-profit development organizations and resident associations. A number of the CDCs in the Community Economic Development Capacity Building Initiative have identified the lack

of afterschool programming to the Newtowne Court community since 1936, when Newtowne Court was opened. Its Media Arts program, which provides video and photography instruction to children, teens, and adults, has won numerous local, national and international awards and citations.



*Community Art Center, Cambridge*

of quality, affordable child care as a key barrier to employment in low-income neighborhoods. Many resident associations, looking forward to broader community building efforts after they acquire their properties, see child care as an important issue to address in their developments.

#### ■ *Community Art Center*

The Community Art Center, Inc. (CAC) in Cambridge, works with over 100 children and teens each year, providing a rich, arts-based afterschool program to residents of a public housing development (Newtowne Court) and the immediate neighborhood. CAC has been providing high quality

This year, Newtowne Court is undergoing a massive modernization of all residential units, and a community building is being built on-site. As a result, CAC has relocated to One Kendall Square with plans to return to Newtowne Court when the construction is complete in 1997. CAC approached the CCCIF with a request to help finance the build out costs of its temporary facility. CCCIF responded with a loan which, combined with in-kind contributions from the owner of the temporary space, contractor donations, and grants from the local business community, provided the capital needed to build out the space.



## Demonstration Disposition

**C**EDAC plays a pivotal role in helping HUD and MHFA implement the national pilot HUD/MHFA

Demonstration Disposition program, through which MHFA will serve as HUD's administrative agent in disposing of 1,878 units of HUD-owned housing to resident owners, or to non-profit or for-profit developers who will team up with resident organizations in the ownership role. The Demonstration program narrowly survived major shifts in federal housing policy this year.

All the past successes of the Boston HUD office in disposing responsibly of its multifamily foreclosed rental housing stock to resident owners have rested on HUD's ability to provide fifteen year project-based Section 8 rental subsidy contracts to the new buyers, to assure continuing affordability for low-income families, and to provide the guaranteed income stream to carry the mortgage financing required to renovate the properties. The upsurge in political pressure to balance the federal budget, coupled with new-found hostility to project-based rental subsidies, combined to make the prospects for new Section 8 subsidy after fiscal year 1995 virtually nil.

MHFA had originally planned to provide the bond financing necessary to renovate the Demonstration program's 1,878

housing units, backed by Section 8 subsidies sufficient to pay off the mortgages. The political reality that the Section 8 subsidies could only be secured at a much reduced level from the 1995 federal budget, rather than over the three year period originally planned, forced a shift to the Federal Housing Administration (FHA) insurance fund as the source of the \$180 million capital infusion for the renovation program. Under the new leadership of Steven Pierce, MHFA advocated forcefully and successfully for the retention of the Demonstration program at a time of overall retrenching at HUD. The bipartisan political leadership of Governor William Weld and Congressman Joseph Kennedy was instrumental in finally securing the commitment from HUD for the absolutely essential \$100 million in Section 8 rental subsidies, allowing the Demonstration to proceed ahead at year's end.



*Governor William Weld, HUD Assistant Secretary Nicholas Retsinas, and MHFA Executive Director Steven Pierce at the signing of the HUD/MHFA Agreement for the Demonstration Disposition program.*

**CEDAC plays a vital role as a development program manager for other public agencies, balancing the objectives of those agencies with the goals of CEDAC's non-profit clients.**



## Federal Housing Preservation

CEDAC has also carved out a premier niche nationally in converting Expiring Use Restriction (EUR) properties, federally financed private rental housing developments, to resident and non-profit ownership. The 12 EUR projects which CEDAC has assisted will provide the opportunity to convert an additional 1,806 units of rental housing to resident ownership. But the EUR portfolio also presented CEDAC with substantial program management challenges in the past year.

Concern over the rising cost of the financial incentives guaranteed to private owners under the Title II and Title VI housing preservation programs, coupled with criticism of HUD's administration of those programs, led to severely reduced funding and near-fatal delays in processing applications for sales to resident groups and non-profit owners during the year, jeopardizing years of efforts by resident groups to control their housing. To their credit, residents of these developments displayed tenacity in mobilizing their neighbors and flexing their political muscle to fend off the termination of the program. The final fate of the housing preservation program is still not clear, but at year end, clear progress had been made in Congress at illustrating the importance of the tenant sales projects, and at preserving some form of funding to facilitate those sales.

## RTC/FDIC Housing Disposition

**T**he five properties, located in Holyoke, Chicopee, Wareham, and Rockland, which comprised the pilot FDIC Affordable Housing Multifamily Program in 1994 were all successfully sold to non-profit purchasers in 1995. Renovations were underway at most of the properties by the end of the year. CEDAC worked closely with the RTC and FDIC to expand the FDIC Affordable Housing Program in 1995, and 11 more properties in Massachusetts were selected for inclusion in the program, based on a new \$13 million federal budget appropriation. Just as the bid proposals were due back to the FDIC from prospective purchasers,

the 1995 budget appropriation was rescinded by Congress, effectively terminating the program's ability to write down acquisition prices. Several purchasers have already proceeded to file bids with the FDIC for the asking price of the properties, and others are evaluating their ability to raise the capital necessary to proceed with their planned purchases.

### ■ *Cranberry Highway/Copley Gardens*

The biggest success story of the pilot FDIC program was the acquisition by South Shore Housing Development Corporation (SSHDC) of the Cranberry Highway Apartments in Wareham. 24 units of rental housing, and



*Willimansett FDIC properties, Chicopee*



Copley Gardens in Rockland, an 84 unit apartment complex. In one stroke SSHDC doubled its property management portfolio, and preserved two key resources for lower-income housing on the South Shore. As Congressman Barney Frank noted at the celebration of SSHDC's purchase of Copley Gardens "This project is proof that the public sector can work, that affordable housing can be created with minimal federal outlays, and that it can provide low-income housing opportunities in perpetuity".

#### ■ *Chicopee*

The Valley Opportunity Council (VOC) saw the Willimansett neighborhood of Chicopee slipping. A number of multifamily properties owned by the FDIC had become blighting influences on the otherwise stable neighborhood, worrying area residents. VOC approached the City of Chicopee for help in securing resources to stabilize the area by targeting key deteriorating buildings, and putting together a financing package to stem their negative influence. Working closely with CEDAC staff, VOC and the city were able to secure purchase agreements on four key



*Cranberry Highway Apartments, Wareham*

FDIC-owned properties containing 38 units. A comprehensive neighborhood plan will combine renovation, demolition, new construction, and a set-aside of units for families who need supportive services, successfully stemming the tide of blight and deterioration.

**Community Economic Development Assistance Corporation**  
**Balance Sheet**  
**June 30, 1995**

	<u>Operating Fund</u>	<u>Restricted Program</u>	<u>Capital Fund</u>	<u>Total Loan Funds</u>	<u>Total All Funds</u>	<u>FY94 Totals</u>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 719,054				\$ 719,054	\$ 423,198
Restricted Cash and Equivalents	27,250	\$ 142,813		\$ 9,328,712	9,498,775	5,500,960
Accounts Receivable	182,832			11,982	194,814	217,663
Grants Receivable		148,000		0	148,000	0
Due from Funding Source	13,106			0	13,106	42,551
Due From Other Funds	22,425			3,137	25,562	79,231
Prepaid Expenses	7,966			0	7,966	17,534
<b>Total Current Assets</b>	<u>972,633</u>	<u>290,813</u>	<u>0</u>	<u>9,343,831</u>	<u>10,607,277</u>	<u>6,281,137</u>
<b>Other Assets:</b>						
Loans Receivable, net of Allowance for Loan Losses of \$722,933				2,989,739	2,989,739	2,133,012
Furniture and Fixtures			\$ 148,776	0	148,776	121,707
Leasehold Improvements			41,732	0	41,732	39,789
Less: Accumulated Depreciation			(116,828)	0	(116,828)	(77,081)
<b>Total Other Assets</b>	<u>0</u>	<u>0</u>	<u>73,680</u>	<u>2,989,739</u>	<u>3,063,419</u>	<u>2,217,427</u>
<b>Total Assets</b>	<u>972,633</u>	<u>290,813</u>	<u>73,680</u>	<u>12,333,570</u>	<u>13,670,696</u>	<u>8,498,564</u>
<b>Total Liabilities and Fund Balances</b>						
<b>Current Liabilities:</b>						
Accrued Expenses	26,521	23,045		0	49,566	22,615
Deferred Revenue	104,452	258,538		157,311	520,301	130,538
Due to Other Funds		9,230		16,332	25,562	79,231
Deferred Compensation	14,898			0	14,898	15,981
Accrued Compensation	27,760			0	27,760	19,247
<b>Total Current Liabilities</b>	<u>173,631</u>	<u>290,813</u>	<u>0</u>	<u>173,643</u>	<u>638,087</u>	<u>267,612</u>
<b>Other Liabilities</b>						
Note Payable	30,000			8,239,803	8,269,803	3,568,597
<b>Total Other Liabilities</b>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>8,239,803</u>	<u>8,269,803</u>	<u>3,568,597</u>
<b>Total Liabilities</b>	<u>203,631</u>	<u>290,813</u>	<u>0</u>	<u>8,413,446</u>	<u>8,907,890</u>	<u>3,836,209</u>
<b>Fund Balances</b>						
Unrestricted					0	0
<b>Restricted Funds:</b>						
Board Restricted	769,002				769,002	723,734
Capital Fund			73,680		73,680	84,415
CEDAC Loan Fund				494,586	494,586	518,044
MA Arts Loan Fund				90,127	90,127	71,007
RTC Loan Fund				72,953	72,953	67,815
MHP Loan Fund				3,262,458	3,262,458	3,197,340
<b>Total Fund Balances</b>	<u>769,002</u>	<u>0</u>	<u>73,680</u>	<u>3,920,124</u>	<u>4,762,806</u>	<u>4,662,355</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 972,633</u>	<u>\$ 290,813</u>	<u>\$ 73,680</u>	<u>\$ 12,333,570</u>	<u>\$ 13,670,696</u>	<u>\$ 8,498,564</u>

*Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.*



Community Economic Development Assistance Corporation  
Statement of Revenue and Expense and Changes in Fund Balances  
June 30, 1995

	Operating Fund	Restricted Program	Capital Fund	Total Loan Funds	Total All Funds	FY94 Totals
<b>Revenue</b>						
Grants and Contributions	\$ 309,820	\$ 87,462			\$ 397,282	\$ 370,034
Earned Revenue	867,867				867,867	701,545
Recovery of Uncollectible Loans				\$ 118,402	118,402	0
Recapture Revenue	25,587				25,587	2,080
Interest	31,779	1,454		303,696	336,929	257,283
Other				53,556	53,556	0
<b>Total Revenue</b>	<u>1,235,053</u>	<u>88,916</u>	<u>0</u>	<u>475,654</u>	<u>1,799,623</u>	<u>1,330,942</u>
<b>Expenses</b>						
Compensation and Benefits	670,954				670,954	561,797
Allowance for Uncollectible Loans				199,497	199,497	208,728
Other Program Expenses	251,799	51,219		317,957	620,975	356,657
Professional Fees	69,424	37,697		95,187	202,308	132,981
Other Expenses	157,526		\$ 50,817		208,343	137,073
<b>Total Expenses</b>	<u>1,149,703</u>	<u>88,916</u>	<u>50,817</u>	<u>612,641</u>	<u>1,902,077</u>	<u>1,397,236</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenses Before Transfers</b>	<u>85,350</u>	<u>0</u>	<u>(50,817)</u>	<u>(136,987)</u>	<u>(102,454)</u>	<u>(66,294)</u>
<b>Transfers:</b>						
Net Decr. (Incr.) in Note Payable				202,905	202,905	(22,362)
Capital Purchases	(40,082)		40,082			
<b>Net Transfers</b>	<u>(40,082)</u>	<u>0</u>	<u>40,082</u>	<u>202,905</u>	<u>202,905</u>	<u>(22,362)</u>
<b>Net Change in Fund Balance</b>	<u>45,268</u>	<u>0</u>	<u>(10,735)</u>	<u>65,918</u>	<u>100,451</u>	<u>(88,656)</u>
<b>Beginning Fund Balance</b>	<u>723,734</u>	<u>0</u>	<u>84,415</u>	<u>3,854,206</u>	<u>4,662,355</u>	<u>4,751,011</u>
<b>Ending Fund Balance</b>	<u>\$ 769,002</u>	<u>\$ 0</u>	<u>\$ 73,680</u>	<u>\$ 3,920,124</u>	<u>\$ 4,762,806</u>	<u>\$ 4,662,355</u>

Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.

## COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

### SELECTED NOTES TO FINANCIAL STATEMENTS

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Economic Development Assistance Corporation (CEDAC) is a quasi-public corporation established under Chapter 40H of Massachusetts General Laws of 1978 and is discretely presented as a component unit in the Commonwealth of Massachusetts' Comprehensive Annual Financial Report. CEDAC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. CEDAC provides a range of development assistance programs to nonprofit development corporations through the Commonwealth of Massachusetts, to expand the supply of affordable housing and foster the revitalization of economically distressed areas.

CEDAC's nine member Board of Directors, composed of public and private development professionals appointed by the Governor, sets overall corporate policy and approves the commitment of funds to nonprofit developers for specific projects.

**Operating Fund** - The Operating Fund represents the portion of expendable funds which are available for operations. The designated portion of the fund represents an amount of \$210,535 of funds repaid to CEDAC in accordance with recapture agreements on successfully completed projects. It is the policy of CEDAC to set aside these funds to be used for related program purposes and consult with the original grantor in determining the specific reuse of a portion of these funds. In addition, the Board has designated a portion of the Operating Fund to serve as an operating reserve and to fund loan losses. The policy outlined by the Board is to first fund an Operating Reserve equal to 50% of operating expenses, and then to reserve for potential loan losses. As of June 30, 1995, CEDAC had set aside \$558,467 for the operating reserve.

**Restricted Program Fund** - The Restricted Program Fund is used to account for all activities associated with the Community Economic Development Capacity Building Program administered by CEDAC. All contributions are recorded as deferred income in the Fund until expenses are incurred. As program expenses are incurred CEDAC recognizes an equal amount of deferred revenue as income.

**Capital Fund** - The Capital Fund is used to account for all property and equipment purchased to support CEDAC operations.

**Loan Funds** - The Loan Funds were established to account for activity in the various loan programs. The loans take the form of unsecured promissory notes between CEDAC and the borrower. Loans made after October 1, 1992 bear 5% simple interest until the scheduled due date of the loan, which is generally the construction loan closing date of the project.

The **CEDAC Loan Fund** is used to assist CEDAC-eligible nonprofit organizations in covering pre-development costs for the construction or rehabilitation of residential, commercial and industrial real estate.

The **MA Arts Loan Fund** is used to assist groups of artists and other nonprofit developers in undertaking real estate projects throughout the state to provide permanent, affordable live/work or work studio space. Funds to capitalize this loan fund were provided through a grant from the Massachusetts Council on the Arts and Humanities. As of June 30, 1995, all conditions of this grant were met.

The **RTC Loan Fund** was established through a contract between the Resolution Trust Corporation (RTC) and CEDAC to provide technical assistance and pre-development loans to nonprofit developers of RTC-owned properties for affordable housing. As of June 30, 1995, all terms and conditions of this contract have been met and the loan fund has become property of CEDAC.

The **Massachusetts Housing Partnership (MHP) Loan Fund** was established with \$3.8 million in funding from the MHP Fund in 1986 as authorized by Chapter 405 of the Acts of 1985. The MHP Loan Fund is used to provide site option loans, technical assistance advances and front money loans to nonprofit organizations operating in locations designated as MHP partnership communities. In order to be eligible for such a loan, the project must result in construction or rehabilitation of affordable housing.

The MHP Loan Fund takes the form of a contract with the MHP Fund. All principal and accrued interest belongs to the MHP Fund. These funds have been under the direct control of CEDAC since 1986, subject to periodic review by the MHP Fund, and the funds are therefore reflected as a fund balance of CEDAC's MHP Loan Fund. The current contract between CEDAC and MHP expired on June 30, 1995. That contract has been extended through June 30, 1996 and is currently under negotiation between the two agencies. No material changes have been proposed.

The **MHFA TOTAL Loan Fund** was established through an initial capitalization of \$350,000 from the Massachusetts Housing Finance Agency (MHFA) for the Tenant Organization Technical Assistance Loan (TOTAL) program. CEDAC's contract for the TOTAL program provides for additional funds as needed to a maximum of \$5 million. The TOTAL Loan Fund is to be used to make loans to tenant organizations or other nonprofits seeking to purchase and develop assisted multi-family properties owned by HUD or financed and/or regulated by HUD.

The **Child Care Capital Investment Fund (CCCIF)** was established through an initial capitalization of \$443,165 from the Child Care Capital Investment Fund, Inc. a controlled affiliate of the United Way of Massachusetts Bay. The CCCIF was capitalized further by local foundations and corporations and a Program Related Investment (PRI) of \$1 million from The Ford Foundation. The term of the PRI is nine years with partial payments in the sixth through the ninth years of the loan. CEDAC has been retained by the CCCIF as the Fund's manager, making loans and providing technical assistance to nonprofit child care centers serving low income children. CEDAC's role is to manage the corpus; to underwrite, originate, and service the Fund's eight financial products; to supply technical assistance to eligible organizations and to provide advice on public policy matters.



The **Housing Innovations Fund (HIF)** was funded by \$30 million in general obligation bonding authority in 1987. Additional HIF commitments have been funded by \$30 million of a second general obligation bonding authority in 1993. The funds are used to support subordinated deferred payment mortgage loans to specific affordable housing projects owned by non-profit organizations. During 1993, \$3 million of the 1987 bond authorization was earmarked to support AIDS Housing project serving clients with AIDS, HIV, and other AIDS-related illnesses.

CEDAC is the underwriter and fiscal agent for HIF mortgages which are granted by the Executive Office of Communities and Development (EOCD). Upon closing each HIF loan, EOCD generally disburses loan proceeds and related fees to CEDAC for disbursement to the designated recipients.

Notes and mortgages executed in connection with each HIF loan are assigned to CEDAC, which is responsible for the collection of loan repayments. CEDAC and its officers, directors and employees will not be liable to EOCD for any losses on HIF loans not repaid or otherwise recovered.

The **Facilities Consolidation Capital Pooling Program (FCF)** was funded by \$50 million in general obligation bonding authority

in 1993. The funds are used to support subordinated deferred payment mortgage loans to specific affordable housing projects owned by non-profit organizations. Projects funded through the FCF program are targeted to clients of the Massachusetts Department of Mental Retardation (DMR) and the Massachusetts Department of Mental Health (DMH) leaving state-supported facilities or in other state residential care.

CEDAC is the underwriter and fiscal agent for FCF mortgages which are granted by the Executive Office of Communities and Development (EOCD). Upon closing each FCF loan, EOCD generally disburses loan proceeds and related fees to CEDAC for disbursement to the designated recipients.

Notes and mortgages executed in connection with each FCF loan are assigned to CEDAC, which is responsible for the collection of loan repayments. CEDAC and its officers, directors and employees will not be liable to EOCD for any losses on FCF loans not repaid or otherwise recovered.

HIF and FCF notes payable are presented in the Financial Statements net of loans receivable at June 30, 1995. Gross loans receivable and notes payable by loan program are as follows:

<b>Loan Fund Note Payable</b>	<b>HIF I</b>	<b>HIF II</b>	<b>FCF</b>	<b>HIF/FCF Subtotal</b>
Note Payable, Beginning	24,542,308	0	0	24,542,308
Proceeds from Funding Source	1,584,214	2,680,081	1,100,155	5,364,450
Interest earned, added to Note Payable	77,568	19,021	19,885	116,474
Interest paid, charged to Note Payable	(51,293)	0	0	(51,293)
Note Payable, Ending	26,152,797	2,699,102	1,120,040	29,971,939
HIF/FCF Loan Receivable	(24,443,041)	(500,000)	(141,792)	(25,084,833)
<b>Net Note Payable</b>	<b>1,709,756</b>	<b>2,199,102</b>	<b>978,248</b>	<b>4,887,106</b>

## CEDAC Board of Directors

JANE GUMBLE

Acting Chairperson

Deputy Secretary, Executive Office of  
Communities and Development

DANIEL A. GRABAUSKAS

Chairman

Chief of Staff, Executive Office of Health and  
Human Services - *resigned during 1995*

CLARK L. ZIEGLER

Vice-Chairman

Executive Director, Massachusetts Housing  
Partnership Fund

BARBARA A. CLEARY

Treasurer

President, Affirmative Investments Group, Inc.

PATRICIA McDERMOTT

Chief of Staff, Representative

Kevin W. Fitzgerald's Office

DORINE NAPARSTEK

Senior Research Analyst, Massachusetts  
Housing Finance Agency

ULYSSES SHELTON

Executive Director, Self Help, Inc.

*term expired during 1995*

E. LINN TORTO

Assistant Secretary for Residential Services,  
Executive Office of Health and Human Services

WILLIAM TRAYNOR

Principal, Neighborhood Partners  
*resigned during 1995*

JOHN D. PATTERSON, JR.

Corporate Counsel, Clerk  
Partner, Foley, Hoag and Eliot

## CEDAC Staff

MICHAEL GONDEK

Executive Director

VINCENT F. O'DONNELL

Director of Development

KAREN E. KELLEY

Director of Administration and Finance

CHARLEEN REGAN

Senior Program Manager

DANIEL VIOLI

Senior Program Manager

KATHY CALHOUN

Senior Project Manager

BETH MARCUS

Senior Project Manager

BRONIA CLIFTON

Project Manager

THERESA WILLIAMS

Project Manager

LESLIE REID

Program Assistant

MARYANN FENNESSY

Executive Assistant/Office Manager

XIAOHONG PEI

Bookkeeper

JOCELYN MALDONADO

Receptionist

HELENA YAU

Intern

*Design: Powell Design*

*Photography: Greig Cranna*



## FUNDERS

*CEDAC's activities are made possible with the generous assistance of the agencies, foundations, and corporations listed below. We are very grateful to them for their continuing support.*

Executive Office of Communities and Development,  
Commonwealth of Massachusetts

Public Facilities Department, City of Boston

U.S. Department of Housing and Urban Development

Massachusetts Housing Partnership Fund

Massachusetts Housing Finance Agency

Federal Deposit Insurance Corporation

Child Care Capital Investment Fund

United Way of Massachusetts Bay

Massachusetts Development Finance Agency

Resolution Trust Corporation

Division of Capital Planning and Operations,  
Executive Office for Administration and Finance

Surdna Foundation

The Boston Foundation

Anonymous

Local Initiatives Support Corporation

Shawmut Bank

The Hyams Foundation

Bank of Boston

Fannie Mae Foundation

**T**he Community Economic Development Assistance Corporation (CEDAC) is the Commonwealth of Massachusetts' technical assistance provider for non-profit, community-based development organizations. Established by the Massachusetts Legislature in 1978, CEDAC has helped residents of Massachusetts restore their communities as stable and vibrant places in which to live and grow. CEDAC is governed by a nine member Board of Directors appointed by the Governor of the Commonwealth. It is a 501(c)(3) tax-exempt organization.

**The Commonwealth of  
Massachusetts**

WILLIAM F. WELD  
*Governor*

ARGEO PAUL CELLUCCI  
*Lieutenant Governor*

**Executive Office of Communities  
and Development**

MARY L. PADULA  
*Cabinet Secretary*

**CEDAC**

JANE GUMBLE  
*Acting Chairperson*

MICHAEL GONDEK  
*Executive Director*

**CEDAC**

19 Temple Place, Suite 200  
Boston, MA 02111  
(617) 727-0506

617 727 75944













